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1 May 1953

~~SECURITY INFORMATION~~

COUNTRY: India

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SUBJECT: Labor Problems

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SOURCE :

1. Our employees are a mixture of races. In their order of number, they are Mohammedan, Parsee, and Hindu. We see to it that they are mixed and not allowed to congregate in one department and have had only negligible trouble due to racial differences.
2. We have suggestion awards and receive many suggestions. The bulk are childish things such as to increase pay. In an endeavor to encourage the workmen, we have paid small awards for minor things that would be overlooked in the U.S. On this basis, 25-30 per cent of the suggestions are rewarded. The ones recognized usually cover safety measures but get a few on production methods. Nothing noteworthy has been submitted.
3. Many are adept at skilled work and can match U.S. workmen in output. But we have been plagued all year by a slow down. The chief difficulty is wage levels and the next most common trouble is selection of supervision from among the natives. The workmen want a voice in such choice and usually want the employee with longest service promoted.
4. Wage rates are an easy source of trouble as they are complex. Most operations are on a piecework basis. The base rate is determined by selecting a minimum amount, somewhat above the scale for similar work in other industries. By time studies, it is found how many units a normal worker should produce and a piecework rate established.
5. The "dearness" is a percentage of monthly earnings that is determined by the textile industry and applied to other lines. It varies from month to month.
6. Annual bonus is a subject of negotiation and invariably decided in the labor courts. The last one was 5-1/2 months of the base rate.
7. Employees get one month vacation. With one year of service, two weeks are paid, and over one year, the full month. Paid leave includes 14 days casual, seven days for sickness, and three national holidays.

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